

Minutes of the Regular Work Session of the  
Board of Mayor and Aldermen, City of Kingsport, Tennessee  
Monday, May 6, 2013, 3:30 PM  
Council Room – City Hall

PRESENT: Board of Mayor and Aldermen

Mayor Dennis Phillips  
Alderman John Clark  
Alderman Valerie Joh  
Alderman Mike McIntire

Vice-Mayor Tom C. Parham  
Alderman Tom Segelhorst  
Alderman Jantry Shupe  
*(arrived after roll call)*

City Administration

John G. Campbell, City Manager  
J. Michael Billingsley, City Attorney  
James H. Demming, City Recorder

1. **CALL TO ORDER:** 3:35 p.m. by Mayor Phillips.

2. **ROLL CALL:** By Deputy City Recorder Marshall.

3. **SCHOOL'S BUDGET PRESENTATION.** Superintendant Dr. Lyle Ailshie discussed the budget process as well as the goals and metrics taken into consideration, noting they have been scaled back. He also gave details on the targets that are addressed to build on a framework for success. Director of Finance for the schools David Frye presented information on revenue assumptions and expenditures for the upcoming fiscal year and answered questions from the Board. Discussion ensued.

**Note:** Work Session tickler items included the opening of the Aquatic Center. Assistant to the City Manager Chris McCartt gave details on the membership status and the current media campaign. Some discussion ensued. Mayor Phillips also noted there was supposed to be a discussion on annexation, but it has been cancelled in light of the one year moratorium established by the state. Alderman Joh also commented on a letter from Mr. Russ Hickman regarding the future plans for Legion Pool. Mr. McCartt responded on this issue.

4. **REVIEW OF AGENDA ITEMS ON THE MAY 7, 2013 REGULAR BUSINESS MEETING AGENDA.** City Manager Campbell, members of staff and community members provided a summary or presentation for each item on the proposed agenda. Those items the Board discussed at greater length or which received specific questions or concerns included: *(Note: Item VII.3 was addressed first and the regular agenda followed in order thereafter.)*

**VI.AA.1 Public Hearing and Consideration of Ordinances to Amend Zoning of a Portion of One Parcel Located at 800 Granby Road, Containing Hunter Wright Stadium (AF: 102-2013).** City Planner Ken Weems stated the purpose of this rezoning was to bring a sports stadium and concert venue with concession sales into compliance which would allow them to apply for a beverage permit.

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**VI.D.2 Consideration of a Resolution Authorizing the Execution of Amendment 3 to the Safe Routes to School Contract No. 090056 with the State of Tennessee Department of Transportation Extending the Project Completion Deadline and Authorizing the Mayor to Sign All Applicable Documents (AF: 103-2013).** Assistant Public Works Director Michael Thompson provided details on this item.

**VI.D.3 Consideration of a Resolution Awarding the Proposal for Concession Food Service Distributor for the Kingsport Aquatic Center to The H.T. Hackney Company and B.K.T., Inc. (AF: 116-2013).** Assistant to the City Manager Chris McCartt presented this item, noting there were three vendors that submitted a bid.

**VI.D.9 Consideration of a Resolution Authorizing the Mayor to Accept a Donation of Resurfacing the Borden Park Tennis Courts from the Mountain Empire Tennis Association (AF: 120-2013).** Assistant to the City Manager Chris McCartt presented details on this item, stating this donation of \$20,000 is part of an effort to build tennis in the community. He pointed out that META is bringing a tournament to Kingsport later in the year and would benefit from this project.

**VII.3 Consideration of Offers for the Purchase of Real Property Owned by the City on Roller Street and Arch Street (AF: 113-2013).** Mayor Phillips confirmed his son James Phillips has always had an interest in this property and he can't legally keep him from purchasing it. Alderman Joh recused herself from the conversation because of a conflict of interest of a Blue Ridge Properties agent as a potential buyer for the property. Alderman Shupe stated he understood the parking lot on Roller Street would be an option for use by Food City from the very beginning. When the mayor asked, no one else was under this impression. Mr. Shupe pointed out there were three board members at that time who are no longer serving on the board. Mr. Shupe also stated Food City thought they had purchased this property at the auction and other BMA members agreed. City Attorney Billingsley clarified that at the time of the auction, it was announced that a higher bid could be submitted after the auction for consideration by the board. He clarified the bid from Press Commons was the high bid at the auction and the bid from Mr. Moody and Blue Ridge was submitted after.

Vice-Mayor Parham repeated his statement made on April 2, 2013 that the city was moving too rapidly on this item, noting there was a strong responsibility to go back and check with the developer for use of this property. He stated the city should accept the first bid, pointing out that an auction is an auction, not a continuing process. Attorney Lou Scudere, manager for Press Commons, gave details on the development process and the concern with reaching the point of diminished returns. Mr. Billingsley clarified the auction was not absolute, and just an offer to purchase. The decision is up to the Board and all of the information is in the agenda packet. The Vice-Mayor commented the decision should be based on the need and suggested supporting the growth of the developer. Mayor Phillips pointed out the difference of a parking lot versus a building with housing. Alderman Shupe noted if ETSU moved into the facility they would require over 100 parking spaces.


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Considerable discussion ensued. Mr. James Phillips addressed the board and gave details on the plans he has for the property. He stated he would like to build 28 to 36 apartments and a dog park, noting he has done everything that has been asked. Vice-Mayor Parham stressed the importance of flexibility in need, noting this is a dynamic process with unknowns and this situation is different than two months ago. Alderman Segelhorst suggested rejecting both bids due to the confusion from the beginning of this process and start over. At the suggestion of the city attorney, Mayor Phillips stated tomorrow night the board would consider the offer from Food City first before moving forward in any direction. He also recommended rescinding the surplus status of the property and leasing it to Food City until they know if there is a need for it.

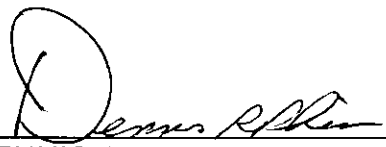
**BOARD COMMENT.** None.

**PUBLIC COMMENT.** Ms. Mary McNabb and Ms. Barbara Brown commented on the Roller Street property.

**8. ADJOURN.** Seeing no other matters presented for discussion at this work session, Mayor Phillips adjourned the meeting at 6:30 p.m.

  
ANGELA MARSHALL  
Deputy City Recorder



  
DENNIS R. PHILLIPS  
Mayor